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GOODWIN PROCTER LLP 901 NEW YORK AVENUE, N.W. WASHINGTON, DC 20001			GARG, YOGESH C	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

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DETAILED ACTION

Response to Amendment

1. The applicant's response to the BPAI decision filed 11/7/2008 is entered. Claims 1 and 11 are currently amended and claims 10 and 20 are currently cancelled. Claims 1-5, 7-9, 11-15 and 17-19 are pending.

1.1 The declarations under 37 CFR 1.132 filed 11/7/2008 by the applicant David Verchere and the applicant's business partner Lynn Verchere are insufficient to overcome the rejection of claims 1-5, 7-15 and 17-20 based upon 35 USC 103 (a) rejection a unpatentable over von Rosen in view of Bittel as set forth in the last Office action that is BPAI decision mailed 11/7/2008 because: they merely include conclusive statements that von Rosen and Bittel do not disclose or render obvious the limitations of the currently amended claims 1 and 11 but do not include evidence of criticality or unexpected results, commercial success, long-felt but unsolved needs, failure of others. The Court of Appeals for the Federal Circuit stated in *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538, 218 USPQ 871, 879 (Fed. Cir. 1983) that "evidence rising out of the so-called 'secondary considerations' must always when present be considered en route to a determination of obviousness." Such evidence might give light to circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or unobviousness, such evidence may have relevancy. *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966); *In re Palmer*, 451 F.2d 1100, 172 USPQ 126 (CCPA 1971); *In re Fielder*, 471 F.2d 640, 176 USPQ 300 (CCPA 1973). The *Graham v. John Deere* pronouncements on the relevance of commercial

success, etc. to a determination of obviousness were not negated in *Sakraida v. Ag Pro*, 425 U.S. 273, 189 USPQ 449 (1979) or *Anderson's-Black Rock Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 163 USPQ 673 (1969), where reliance was placed upon *A&P Tea Co. v. Supermarket Corp.*, 340 U.S. 147, 87 USPQ 303 (1950). See *Dann v. Johnston*, 425 U.S. 219, 226 n.4, 189 USPQ 257, 261 n. 4 (1976). See 716.01(a) Objective Evidence of Nonobviousness [R-2] OBJECTIVE EVIDENCE MUST BE CONSIDERED *>WHEN TIMELY< PRESENT .

In view of the foregoing, since no evidence is provided against the established *prima facie* case of obviousness in the BPAI decision mailed 11/7/2008 when all of the evidence is considered, the totality of the rebuttal evidence of nonobviousness fails to outweigh the evidence of obviousness.

Response to Arguments

2.1. Applicant's arguments filed 11/7/2008 have been fully considered but they are not persuasive. The applicant argues that the combined teachings of Von Rosen and Bittel [prior art cited in the previous office action] do not render obvious the currently amended limitations in claims 1 and 11, that is: Limitation [L3] "applying a pricing algorithm for assigning a price to the product wherein the price is dynamically generated using user-customizable pricing data and formulas based in part on the item, process, and artwork parameters ", Limitation [4] " linking the item parameters, the process parameters and the artwork parameters", and Limitation [5] " to dynamically create a product identifier when the product is sourced, quoted or ordered, wherein the product

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identifier is defined by a combination of the product's item parameters, process parameters, and artwork parameters “. The examiner respectfully disagrees. Von Rosen clearly shows ordering customized branded products through an online interface dynamically requiring both item selections and artwork process [see Figs 1, 2, 5, 8A-B, 9A-C, and 10 A-B] inclusive of order number and job description to identify the order. Bittel shows that it was known that pricing algorithms could be applied as markups over cost (Bittel 958:Right col., Markup Pricing). Bittel shows that it was known that pricing algorithms had to produce prices that exceeded the full cost of what was sold (FF 09). Thus, it was known that each cost component of production had to be measured and their sum had to be less than the price, and that one practice for deriving prices was for price to have been computed as a markup over cost (FF 10). Since von Rosen's manufacture relied on a customized dynamic process ordering products through online interface (FF08 & 09), which used both product and artwork, the costs for von Rosen's sales included costs for the item, the manufacturing process, and the artwork. Each would have to be measured to satisfy the dynamic pricing requirement of covering cost for online customized ordering. Thus the cost data would have been separated into that of the item, manufacturing process, and artwork . To satisfy known pricing practices over the last thirty years, one of ordinary skill would have applied a pricing algorithm based on the costs for the item, process and artwork. To so generate a price within an automated system such as von Rosen's requiring dynamically customized placing of orders online, one of ordinary skill would have known the values for costs would have been provided via parameters (FF 05) (limitation [3]). These parameters would have

had to be connected, i.e. linked, to support the pricing analysis required for the dynamically customized order subsequent to the calculation (limitation [4]). Bittel shows that one of ordinary skill knew the importance of creating an item identifier to control the final product in a materials management system (FF 08) (limitation [5]). Thus, it would have been obvious to a person of ordinary skill in the art to have applied known pricing and inventory management practices to von Rosen to practice the invention as in currently amended claims 1 and 11 for the reasons provided by Bittel of good pricing and materials management practices.

In view of the foregoing, the rejection of claims 1 and 15 is sustainable as being unpatentable over Von Rosen/Bittel under 35 USC 103 (a).

2.2. The applicant's arguments presented against the rejection of claims 2-5, 7-9, 12-15 and 17-19 are based solely on the fact that the proposed combination of Von Rosen and Bittel does not render obvious the limitations of independent claims 1 and 11. Since it is analyzed above that the rejection of claims 1 and 15 is sustainable as being unpatentable over Von Rosen/Bittel under 35 USC 103 (a) the rejection of dependent claims 2-5, 7-9, 12-15 and 17-19 is also sustainable as already presented in the Final office action mailed 10/13/2004. Further, since the applicant has not provided any argument and/or evidence against the examiner's consideration of Official Notice in rendering the limitations of claims 8 and 18 as obvious nor has demanded any evidence against the Official Notice the limitations recited in claims 8 and 18 that is "one or more parameters comprise quantity break pricing information" are considered as prior art.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-5, 7-9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In claims 1-5, 7-9 recite a process the critical steps of separating the product....., applying a pricing algorithm....., linking the item parameters to create a product identifier..., branding the product....., etc.; all these recited steps represent mere mental ideas without (1) being tied to another statutory class (such as a particular apparatus) or(2) transforming underlying subject matter (such as an article or materials). Please refer to *In re Bilski decision, October 30, 2008*. The Bilski decision has set the standard of machine-or-transformation test for determining whether a claimed method constitutes a statutory "process" under § 101. Claims 9, 11, 16-17 merely recite ideas without being tied to a particular machine and therefore do not qualify a patent eligible process under 35 U.S.C. 101.

Note: The preamble of claim 1 does recite the phrase "a computer implemented method" but this recitation has not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but,

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instead, the process steps or structural limitations are able to stand alone. See *In re Hiraio*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951). In the instant case, the body of the claims does not recite any apparatus/machine or use of computer/processor to implement the critical steps and therefore the recited critical steps merely represent mental steps or can be performed manually without any apparatus/machine or use of computer/processor.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4.1. Claims 1-5, 7, 9, 11-15, 17 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Von Rosen in view of Bittel [The prior art already cited in the previous Office action).

Regarding claim 1, Von Rosen describes limitation [1] of receiving a request for a branded product through an online interface [FF01]. Von Rosen shows that its sales system was for items including artwork. Von Rosen shows that its sales system was for items including artwork. Von Rosen dynamically made the customized products to order via online interface which required an automated manufacturing process (FF01, 02, 08A-b, 09A-c, 10A-B) inclusive of order number and job description to identify the order.

Bittel shows that it was known that pricing algorithms could be applied as markups over cost (Bittel 958:Right col., Markup Pricing). Bittel shows that it was known that pricing algorithms had to produce prices that exceeded the full cost of what was sold (FF 09). Thus, it was known that each cost component of production had to be measured and their sum had to be less than the price, and that one practice for deriving prices was for price to have been computed as a markup over cost (FF 10). Since von Rosen's manufacture relied on a customized dynamic process ordering products through online interface (FF08 & 09), which used both product and artwork, the costs for von Rosen's sales included costs for the item, the manufacturing process, and the artwork. Each would have to be measured to satisfy the dynamic pricing requirement of covering cost for online customized ordering. Thus the cost data would have been separated into that of the item, manufacturing process, and artwork(Limitation [2]) .

To satisfy known pricing practices over the last thirty years, one of ordinary skill would have applied a pricing algorithm based on the costs for the item, process and artwork. To so generate a price dynamically within an automated system such as von Rosen's requiring dynamically customized placing of orders online, one of ordinary skill would have known the values for costs would have been provided via parameters (FF 05) (limitation [3]). These parameters would have had to be connected, i.e. linked, to support the pricing analysis required for the dynamically customized order subsequent to the calculation (limitation [4]). Bittel shows that one of ordinary skill knew the importance of creating an item identifier to control the final product in a materials management system (FF 08) (limitation [5]).

Thus, it would have been obvious to a person of ordinary skill in the art to have applied known pricing and inventory management practices to von Rosen to practice the online invention of making dynamically customized branded products requiring both the items and artwork using an automated system as in claim 1 for the reasons provided by Bittel of good pricing and materials management practices.

Regarding claim 2, Rosen/Bittel discloses that the method of claim 1 wherein the step of separating the product further comprises the step of supplying an item template (see at least FIG.9B, which corresponds to supplying a template for an item, that is soda flavor).

Regarding claim 3, Rosen/Bittel discloses that the method of claim 1 wherein the step of separating the product further comprises the step of supplying a process template (see at least FIG.8A-9A and 9C corresponds to providing a process template wherein the process is designing the label with the image).

Regarding claim 4, Rosen/Bitten teaches that the method of claim 2 wherein the step of separating the product further comprises the step of creating an item definition page based on the item template (see at least FIG.9 B, which corresponds to the soda flavor bottle definition page based on the item template).

Regarding claim 5, Rosen/Bittel teaches that the method of claim 3 wherein the

step of separating the product further comprises the step of creating a process definition page based on the process template (see at least FIG.9C, which corresponds to the soda flavor bottle label image definition page based on the process template).

Regarding claim 7, Rosen/Bittel shows that the method of claim 1 wherein the one or more parameters comprise description information (see at least see at least Fig.3, “ Product database 98”, “ Image database 100”, and col.6, lines 50-67 which disclose that both product database 98 and image database 100 store descriptive information about products and images such as different types of flavor for sodas, see at least col.10, lines 10-18).

Regarding claim 9, Rosen/Bittel discloses that the method of claim 1 wherein the one or more parameters comprise pricing information (see at least FIG.9B and FIG.10B wherein prices for soda bottles are disclosed).

Regarding system claims 11-15, 17, and 19 they are parallel to the method claims 1-5, 7 and 9 and are therefore, analyzed and rejected based on same rationale.

4.2. Claims 8 and 18 are rejected under 35 U.S.C. 103(a) as being obvious over Rosen/Bittel and further in view of Official Notice.

Regarding claim 8, Rosen/Bittel discloses a method for configuring one or more products as analyzed and discussed in claim above. Rosen does not disclose that in

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claim 1 the parameters comprise quantity break pricing information. However, the examiner takes an Official Notice that both the concept and the benefits of quantity break pricing information are notoriously old and well-known in selling and buying transactions because a quantity break motivates the buyer to purchase more in quantity, as he saves money, and at the same time benefits the seller for accruing increased revenue and also profits. Therefore, in view of the Official Notice, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Rosen to incorporate the concept of providing a quantity break pricing information while selling soda bottles, because a quantity break will motivate the buyer to purchase more in quantity, as he saves money, and at the same time will benefit the seller for accruing increased revenue and also profits.

Regarding system claim 18, it is parallel to the method claim 8 and is therefore, analyzed and rejected based on same rationale.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C. Garg whose telephone number is 571-272-6756. The examiner can normally be reached on Increased Flex/Hoteling.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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